Alabama Medicaid Agency

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BOB RILEY
Governor

CAROL A. HERRMANN-STECKEL, MPH
Commissioner

January 18, 2006

TO: Pharmacy Providers

SUBJECT: Medicare Part D and Full Dual-Eligibles

FROM: Commissioner Carol A. Herrmann-Steckel

As many of you are aware, the implementation of the Medicare Prescription drug benefit has been very challenging for all of us. Our full dual eligibles and our pharmacists have experienced the brunt of the difficulties. In spite of the guarantees from CMS that "no dual eligible will leave the pharmacy counter without their drugs" we all know that this is not the case. While the situation is improving, we are still experiencing difficulties in accessing the Part D maze.

In an effort to address the state's growing concerns regarding seniors and disabled individuals receiving the medically necessary medication they need due to problems encountered by the implementation of the new Medicare Prescription drug Benefit, the Medicaid Agency on the January 20, 2006 checkwrite will issue advance payments to pharmacies to ease the financial burden of the Part D transition including the number of claims processing problems with the new Prescription Drug Plans (PDPs). This one-time payment will be based on the dollar amount paid for those with Medicare and full Medicaid (Full duals) during the month of December. The payment will be 75% of the dollar amount paid for December as long as the paid amount exceeded $5,000. This one-time payment advance will be collected by Medicaid from Retail Pharmacy Providers on March 17, April 21, and May 19, 2006. Long-term Care Pharmacy Providers will be required to sign a promissory note agreeing to make a one-time repayment back to Medicaid no later than July 31, 2006 before the one-time payment advance will be issued.

In order to take advantage of this one-time advance the following guidelines must be followed:

- Pharmacies are to utilize, to their full extent possible, the E1 Troop Facilitator, the Medicare toll-free pharmacy assistance number (1-866-835-7595), or any means available to research a dual eligible recipient's plan enrollment information so that the claim may be appropriately billed to the recipient's PDP. Information on these and other means can be located on Medicare's website (www.medicare.gov), or links to these important documents can be found on our website www.medicaid.state.al.us.

- Pharmacies are to contact the PDP in the event the plan is not charging the correct dual eligible copayment amount, or contact Medicare's toll-free pharmacy assistance number when the situation is urgent and other steps have not worked.

Our Mission - to provide an efficient and effective system of financing health care for our beneficiaries.

- As part of the transition for duals, CMS required each Medicare prescription drug plan to include at least a one-time fill of a prescription excluded from the plan's formulary in order to accommodate situations in which a beneficiary presents at a participating pharmacy with a prescription he or she has previously filled but that is not on the formulary. Pharmacies are to contact the PDP in the event the transition process for full duals eligibles are not being adhered to by the PDP.

- Pharmacies are to utilize the POS Contractor (WellPoint) if there is no evidence of a Part D enrollment plan but there is clear evidence of both Medicare and full Medicaid eligibility. WellPoint's toll free assistance number is 1-800-662-0210.

When the pharmacy is unable to complete these processes, the recipient should be billed the appropriate $1-$5.00 copay and given the medication, understanding the pharmacy will be reimbursed from the PDP for the medication through the federally-mandated transition period. Examples are as follows:

- Example 1: A dual eligible presents at the pharmacy with a refill prescription for an antipsychotic. All available means of processing the claim on the recipient's PDP and the POS Contractor, WellPoint, have been tried and failed. The pharmacist is to charge the recipient the correct copay ($1-$5), and give the patient the medication. Medicare requires drug plans to cover all, or substantially all, of the drugs in six specific drug classes: antidepressants, antipsychotics, anticonvulsants, anticancer, immunosuppressant, and HIV/AIDS drugs.
- Example 2: A dual eligible presents at the pharmacy with a refill prescription for a cholesterol medication. All available means of processing the claim on the recipient's PDP and the POS Contractor, WellPoint, have been tried and failed. The pharmacist is to charge the recipient the correct copay ($1-5.00), and give the patient the medication. Medicare requires PDPs to cover refill drugs, through a one-time transition fill, for a minimum of 30 days for dual eligibles so that there is no gap in coverage.
- Example 3: A dual eligible presents at the pharmacy with a new prescription for a cholesterol medication; this is a new drug for the patient. The PDP rejects the claim, stating that the new drug is not a covered product on its formulary. The pharmacy must coordinate with the physician for a covered alternative, the provider may request an appeal to the PDP stating medical necessity for the new drug, or the patient must pay out-of-pocket for the full price of the medication. CMS has required PDPs to cover a minimum of two drugs per drug class to allow available therapeutic alternatives for all recipients.

By accepting this advance you are to abide by the above guidelines. If you wish to opt out of this one-time advance payment you must return paid amounts to the Alabama Medicaid Agency within 5 calendar days of receipt of this one-time advance payment.

We are very appreciative of your efforts on behalf of those who are the most vulnerable in our communities. We look forward to working with you not only on Medicare Part D issues but other issues that impact the delivery of quality services to our seniors and disabled individuals.